

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 1 - 0 2 4

2. STATE:

Minnesota

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 450(b) & 42 CFR 447.201(b)

7. FEDERAL BUDGET IMPACT:

a. FFY '02 \$ 1,628  
b. FFY '03 \$ 2,391

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 3.1-A, pp. 40-40c  
Att. 3.1-B, pp. 39-39c  
Att. 4.19-B, pp. 31-31a & 67-67a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

same

10. SUBJECT OF AMENDMENT:

Dental Services and Rates; Special Transportation Rates

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Ann Berg for*

13. TYPED NAME:

Mary B. Kennedy

14. TITLE:

Medicaid Director

15. DATE SUBMITTED:

December 28, 2001

16. RETURN TO:

Stephanie Schwartz  
Federal Relations  
Minnesota Department of Human Services  
444 Lafayette Road No.  
St. Paul, MN 55155-3853

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

12/31/01

18. DATE APPROVED:

3/29/02

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2002

21. TYPED NAME:

Cheryl A. Harris

20. SIGNATURE OF REGIONAL OFFICIAL:

*Cheryl Harris*

22. TITLE: Associate Regional Administrator  
Division of Medicaid and Children's Health

23. REMARKS:

**RECEIVED**

DEC 31 2001

**DMCH - MI/MN/WI**

MINNESOTA  
MEDICAL ASSISTANCE

Federal Budget Impact of Proposed State Plan Amendment TN 01-24  
Attachments 3.1-A/B & 4.19-B: Dental and Transportation Services & Rates

---

1. The Department's most recent dental study, "Dental Access for Minnesota Health Care Programs Beneficiaries," recommended that dental providers receive increased reimbursement. Laws of Minnesota 2001, First Special Session, chapter 9, article 2, section 54 (Minnesota Statutes, §256B.76(c)) permits the Department to pay "critical access dental providers" up to 50% above the normal payment rate. The legislation caps payment for this initiative at \$1.55 million in State Fiscal Years 2002 and 2003.

Dental providers in five rural counties will receive critical access dental provider designation if they take steps to improve access by a percentage to ~~be~~ determined. For all other dental providers, the Department will use the following to implement the critical access dental strategy:

1. Claims and encounter data from service dates of April 1, 2000 through March 31, 2001 will be examined. Providers will be ranked according to the total fee-for-service amount paid during this time period.
2. Based on the \$1.55 million appropriation, a preliminary threshold will be established in the ranking. This threshold will be set at \$50,000 to \$60,000. With \$1.55 million as a cap, the Department will determine how many dental providers above the threshold are potential critical access providers.
3. The Department will publish criteria for ~~meeting~~ the critical access threshold. Dental providers who were not identified in the above analysis who believe they meet the threshold criteria will be able to request a review. *← Include in SPA*
4. The Department will analyze geographic location of potential critical access providers. In areas of the state where: a) there are few or no dentists; and b) an identified need for dentists, the Department will attempt to recruit providers who agree to improve access in return for the rate increase. The goal is to establish critical access dental providers in all regions of the state.
5. The initial rate increase for critical access dentists will be 40% percent more than the current allowable fee on the affected dental codes.

This level of increase may be adjusted in the future based on the total value of services provided by the critical access provider panel. If this occurs, a State plan amendment will be submitted.

The Department estimates the federal budget costs as follows:

	<u>FFY '02*</u>	<u>FFY '03</u>
<b>Federal share</b>	<b>\$1,162,500</b>	<b>\$1,550,000</b>
State share	\$1,162,500	\$1,550,000
 Total MA Cost	 \$2,325,000	 \$3,100,000

2. Effective for services provided on or after January 1, 2002, Laws of Minnesota 2001, First Special Session, chapter 9, article 2, section 54 (Minnesota Statutes, §256B.76(b)(7)) requires that payment for diagnostic examinations and dental x-rays provided to recipients under age 21 is the lower of the submitted charge or 85% of median 1999 charges. The State plan has been amended accordingly.

The Department estimates the federal budget costs as follows:

	<u>FFY '02*</u>	<u>FFY '03</u>
<b>Federal share</b>	<b>\$507,250</b>	<b>\$897,000</b>
State share	\$507,250	\$897,000
 Total MA Cost	 \$1,014,500	 \$1,794,000

3. For all recipients, current special transportation rates language provides that the rate is the lowest of the submitted charge or the Medical Assistance maximum allowable charge, which is a base rate of \$15.00 and \$1.40 per mile. New language distinguishes persons who do not require a wheelchair-accessible van from recipients requiring a wheelchair-accessible van.

For recipients who do not need a wheelchair-accessible van, new language requires a lower maximum allowable charge: A base rate of \$12.00 and \$1.40 per mile. For recipients who need a wheelchair-accessible van, new language requires a higher maximum allowable charge: A base rate of \$18.00 and \$14.0 per mile.

The new rates comply with Minnesota Statutes, §256B.0625, subdivision 17, which requires that the average of the two rates per trip must not exceed \$15 for the base rate and \$1.40 per mile.

Even though there is a rate increase for recipients requiring a wheelchair-accessible van, the overall rate change represents a savings. Most recipients receiving special transportation do not require a wheelchair-accessible van, and the rate for this group is decreasing.

\* January 1, 2002 through September 30, 2002

Federal Budget Impact

Page 3

TN 01-24

The Department estimates the federal budget costs as follows:

	<u>FFY '02*</u>	<u>FFY '03</u>
<b>Federal share (costs)</b>	<b>(\$42,114)</b>	<b>(\$56,152)</b>
State share (costs)	(\$42,114)	(\$56,152)
Total MA Costs	(\$84,228)	(\$112,304)

\* January 1, 2002 through September 30, 2002

STATE: MINNESOTA  
Effective: January 1, 2002  
TN: 01-24  
Approved:  
Supersedes: 01-14

ATTACHMENT 3.1-A  
Page 40

---

10. Dental services.

- A. Coverage of dental services is limited to medically necessary services within the scope of practice of a dentist, with the ~~following~~ limitations listed below. Except for root canal treatment, limitations do not apply to medically necessary dental services under EPSDT.

<u>Service</u>	<u>Limitation</u>
Oral hygiene instruction	One time only.
Relines or rebase	One every three years.
Topical fluoride treatment	One every six months for a recipient 16 years of age or younger unless prior authorization is obtained.
Full mouth or panoramic x-ray	One every three years, for a recipient eight years of age or older, unless prior authorization is obtained.
Dental examination	One every six months unless an emergency requires medically necessary dental service.
Prophylaxis	One every six months.
Bitewing series	One of no more than four x-rays and no more than six periapical x-rays every 12 months unless a bitewing or periapical x-ray is medically necessary because of an emergency.
Palliative treatment	For an emergency root canal problem.

STATE: MINNESOTA  
Effective: January 1, 2002  
TN: 01-24  
Approved:  
Supersedes: 01-14

ATTACHMENT 3.1-A  
Page 40a

---

10. Dental services. (continued.)

<u>Service</u>	<u>Limitation</u>
Sealant application	One application to permanent first and second molars only and one reapplication to permanent first and second molars five years after the first application only for recipients 16 years of age and under.
Removable prostheses (includes instructions in the use and care of the prostheses and any adjustment necessary for proper fit during the first six months)	Requires prior authorization.
Root canal treatment	One root canal therapy per tooth.
Inpatient hospitalization for dental services	Requires prior authorization.
Periodontics	Requires prior authorization.
Orthodontics, except for space maintainers for second deciduous molars	Requires prior authorization.
Surgical services, except emergencies, alveolectomies, and routine tooth extractions	Requires prior authorization.
Removal of impacted teeth, unless it is an emergency	Requires prior authorization.

STATE: MINNESOTA  
Effective: January 1, 2002  
TN: 01-24  
Approval:  
Supersedes: 01-14

ATTACHMENT 3.1-A  
Page 40b

---

10. Dental services. (continued.)

<u>Service</u>	<u>Limitation</u>
Fixed bridges	When cost effective for recipients who cannot use removable dentures because of their medical condition, requires prior authorization. To be considered for prior authorization, the recipient must have less than four upper and four lower back teeth that meet and are in biting function unless the missing teeth are permanent teeth and the recipient has only bicuspid occlusion. A fixed bridge will be considered as a replacement for one or more front teeth.
Orthodontic treatment, except space maintainers	Requires prior authorization.
Services in excess of those listed above	Requires prior authorization.

B. The following dental services are not eligible for payment:

- 1) Full mouth of panoramic x-rays for a recipient under eight years of age unless prior authorized, or in the case of an emergency;
- 2) Base or pulp caps, direct or indirect;
- 3) Local anesthetic that is billed as a separate procedure;
- 4) Hygiene aids, including toothbrushes;
- 5) Medication dispensed by a dentist that a recipient is able to obtain from a pharmacy;
- 6) Acid etch for a restoration that is billed as a separate procedure;

STATE: MINNESOTA

ATTACHMENT 3.1-A

Effective: January 1, 2002

Page 40c

TN: 01-24

Approved:

Supersedes: 01-14

---

---

10. Dental services. (continued.)

- 7) Periapical x-rays, if done at the same time as a panoramic or full mouth x-ray survey unless prior authorization is obtained;
- 8) Prosthesis cleaning;
- 9) Unilateral partial prosthesis involving posterior teeth;
- 10) Replacement of a denture when a reline or rebase would correct the problem;
- 11) Duplicate x-rays;
- 12) Crowns and bridges, unless the recipient has a documented medical condition that prohibits the use of a removable prostheses; and
- 13) Gold restoration or inlay, including cast nonprecious and semiprecious metals.

C. Critical access dental providers receive an increased payment pursuant to Attachment 4.19-B, item 10. There are two types of critical access dental providers:

- 1) those whose combined claim and estimated encounter claim payments for all Minnesota Health Care Programs (Medical Assistance, General Assistance Medical Care and MinnesotaCare) were at least \$50,000 for service dates of April 1, 2000 through March 31, 2001; or
- 2) those providing dental services in counties for which dental services are carved out of managed care and are paid fee-for-service. These providers must increase the number of recipient visits by at least 10 percent over the last three-month quarter for which complete data on the number of recipient visits exists.

STATE: MINNESOTA  
Effective: January 1, 2002  
TN: 01-24  
Approved:  
Supersedes: 01-14

ATTACHMENT 3.1-B  
Page 39

---

10. Dental services.

- A. Coverage of dental services is limited to medically necessary services within the scope of practice of a dentist, with the following limitations: listed below. Except for root canal treatment, limitations do not apply to medically necessary dental services under EPSDT.

<u>Service</u>	<u>Limitation</u>
Oral hygiene instruction	One time only.
Relines or rebase	One every three years.
Topical fluoride treatment	One every six months for a recipient 16 years of age or younger unless prior authorization is obtained.
Full mouth or panoramic x-ray	One every three years, for a recipient eight years of age or older, unless prior authorization is obtained.
Dental examination	One every six months unless an emergency requires medically necessary dental service.
Prophylaxis	One every six months.
Bitewing series	One of no more than four x-rays and no more than six periapical x-rays every 12 months unless a bitewing or periapical x-ray is medically necessary because of an emergency.
Palliative treatment	For an emergency root canal problem.

STATE: MINNESOTA  
Effective: January 1, 2002  
TN: 01-24  
Approved:  
Supersedes: 01-14

ATTACHMENT 3.1-B  
Page 39a

---

10. Dental services. (continued.)

<u>Service</u>	<u>Limitation</u>
Sealant application	One application to permanent first and second molars only and one reapplication to permanent first and second molars five years after the first application only for recipients 16 years of age and under.
Removable prostheses (includes instructions in the use and care of the prostheses and any adjustment necessary for proper fit during the first six months)	Requires prior authorization.
Root canal treatment	One root canal therapy per tooth.
Inpatient hospitalization for dental services	Requires prior authorization.
Periodontics	Requires prior authorization.
Orthodontics, except for space maintainers for second deciduous molars	Requires prior authorization.
Surgical services, except emergencies, alveolectomies, and routine tooth extractions	Requires prior authorization.
Removal of impacted teeth, unless it is an emergency	Requires prior authorization.

STATE: MINNESOTA  
Effective: January 1, 2002  
TN: 01-24  
Approval:  
Supersedes: 01-14

ATTACHMENT 3.1-B  
Page 39b

---

10. Dental services. (continued.)

<u>Service</u>	<u>Limitation</u>
Fixed bridges	When cost effective for recipients who cannot use removable dentures because of their medical condition, requires prior authorization. To be considered for prior authorization, the recipient must have less than four upper and four lower back teeth that meet and are in biting function unless the missing teeth are permanent teeth and the recipient has only bicuspid occlusion. A fixed bridge will be considered as a replacement for one or more front teeth.
Orthodontic treatment, except space maintainers	Requires prior authorization.
Services in excess of those listed above	Requires prior authorization.

B. The following dental services are not eligible for payment:

- 1) Full mouth of panoramic x-rays for a recipient under eight years of age unless prior authorized, or in the case of an emergency;
- 2) Base or pulp caps, direct or indirect;
- 3) Local anesthetic that is billed as a separate procedure;
- 4) Hygiene aids, including toothbrushes;
- 5) Medication dispensed by a dentist that a recipient is able to obtain from a pharmacy;
- 6) Acid etch for a restoration that is billed as a separate procedure;

STATE: MINNESOTA

ATTACHMENT 3.1-B

Effective: January 1, 2002

Page 39c

TN: 01-24

Approved:

Supersedes: 01-14

---

---

10. Dental services. (continued.)

- 7) Periapical x-rays, if done at the same time as a panoramic or full mouth x-ray survey unless prior authorization is obtained;
- 8) Prosthesis cleaning;
- 9) Unilateral partial prosthesis involving posterior teeth;
- 10) Replacement of a denture when a reline or rebase would correct the problem;
- 11) Duplicate x-rays;
- 12) Crowns and bridges, unless the recipient has a documented medical condition that prohibits the use of a removable prostheses; and
- 13) Gold restoration or inlay, including cast nonprecious and semiprecious metals.

C. Critical access dental providers receive an increased payment pursuant to Attachment 4.19-B, item 10. There are two types of critical access dental providers:

- 1) those whose combined claim and estimated encounter claim payments for all Minnesota Health Care Programs (Medical Assistance, General Assistance Medical Care and MinnesotaCare) were at least \$50,000 for service dates of April 1, 2000 through March 31, 2001; or
- 2) those providing dental services in counties for which dental services are carved out of managed care and are paid fee-for-service. These providers must increase the number of recipient visits by at least 10 percent over the last three-month quarter for which complete data on the number of recipient visits exists.

STATE: MINNESOTA  
Effective: January 1, 2002  
TN: 00-24  
Approved:  
Supersedes: 00-11

ATTACHMENT 4.19-B  
Page 31

---

10. Dental services.

Payment is the lower of:

- (1) submitted charge; or
- (2) (a) 91.6% of the 50th percentile of the charges submitted by all dental service providers in the calendar year specified in legislation governing maximum payment rates. Effective July 1, 1997, this is increased by five percent, effective January 1, 1999, by three percent, and effective January 1, 2000, by three percent; or  
(b) State agency established rate.

The agency has established rates for the following services:

Procedure Code	5/14/93	7/1/97	7/1/98	1/1/00
D5211	\$294.50	\$309.22	\$318.49	\$328.04
D5212	\$342.00	\$359.10	\$369.87	\$380.96

Procedure Code	6/1/94	7/1/97	7/1/98	1/1/00
D5510	\$71.94	\$75.53	\$77.79	\$80.12
D5520	\$70.57	\$74.09	\$76.31	\$78.59
D5610	\$71.94	\$75.53	\$77.79	\$80.12
D5620	\$105.37	\$110.63	\$113.94	\$117.35
D5630	\$84.51	\$88.73	\$91.39	\$94.13
D5640	\$70.57	\$74.09	\$76.31	\$78.59
D5650	\$110.21	\$115.72	\$119.19	\$122.76
D5660	\$84.51	\$88.73	\$91.39	\$94.13

Payment to critical access dental providers will be increased by 40 percent above the payment rate that would otherwise be paid.

STATE: MINNESOTA  
Effective: January 1, 2002  
TN: 01-24  
Approved:  
Supersedes: 00-11

ATTACHMENT 4.19-B  
Page 31a

---

10. Dental services. (continued)

- **X-ray services** are paid according to the dental services methodology listed above. Effective January 1, 2002, payment for x-ray services provided to recipients under age 21 are paid the lower of:

- (1) the submitted charge; or
- (2) 85% of the median charges submitted in 1999.

- **Diagnostic examinations** are paid according to the dental services methodology listed above. Effective January 1, 2002, payment for diagnostic examinations provided to recipients under age 21 are paid the lower of:

- (1) the submitted charge; or
- (2) 85% of the median charges submitted in 1999.

- **Tooth sealants and fluoride treatments** are paid at the lower of:

- (1) submitted charge; or
- (2) 80% of the median charges submitted in 1997.

Effective January 1, 2000, the rate is increased by three percent.

- **Medical and surgical services** (as defined by the Department) furnished by dentists are paid using the same methodology as item 5.a., Physicians' services.

STATE: MINNESOTA  
Effective: January 1, 2002  
TN: 01-24  
Approved:  
Supersedes: 01-15

ATTACHMENT 4.19-B  
Page 67

---

24.a. Transportation.

Through December 31, 2000, payment for **life support transportation** is the lower of:

- (1) submitted charge; or
- (2) 50<sup>th</sup> percentile of Medicare prevailing charge for 1982, plus a 10.725% increase over the base rate.

Effective July 1, 1999 this rate is increased 5%.

Effective January 1, 2001, payment is the lower of:

- (1) submitted charge; or
- (2) the Medicare unadjusted base rate.

Effective July 1, 2001, payment is the greater of:

- (1) the payment rate in effect on July 1, 2000; or
- (2) the Medicare payment rate.

- A0427 \$430.03
- A0429 \$430.03
- A0435 \$6.49

If the provider transports two or more persons simultaneously in one vehicle, the payment is prorated according to the schedule for special transportation services, below. Payment for ancillary services provided to a recipient during life support transportation must be based on the type of ancillary service and is not subject to proration.

Payment for **special transportation** ~~must be~~ is the lowest of:

- (1) for persons not requiring a wheelchair-accessible van, the submitted charge; or (2) the medical assistance maximum allowable charge, which is a base rate of \$15.00 \$12.00 and \$1.40 per mile or;
- (2) for persons requiring a wheelchair-accessible van, the submitted charge or the medical assistance maximum allowable charge, which is a base rate of \$18.00 and \$1.40 per mile.

---

---

24.a. Transportation. (continued)

If the provider transports two or more persons simultaneously in one vehicle from the same point of origin, the payment must be prorated according to the following schedule:

<u>NUMBER OF RIDERS</u>	<u>PERCENT OF ALLOWED BASE RATE PER PERSON IN VEHICLE</u>	<u>PERCENT OF ALLOWED MILEAGE RATE</u>
1	100	100
2	80	50
3	70	34
4	60	25
5-9	50	20
10 or more	40	10

Payment for **air ambulance transportation** is consistent with the level of medically necessary services provided during the recipient's transportation.

Through December 31, 2000, payment is the lower of:

- (1) submitted charge; or
- (2) the 50<sup>th</sup> percentile of Medicare's prevailing charge for 1982, plus a 10.725% increase over the base rate.

Effective July 1, 1999 this rate is increased 5%.

Effective January 1, 2001, payment is the lower of:

- (1) submitted charge; or
- (2) the Medicare unadjusted base rate.

Payment for air ambulance transportation of a recipient not having a life threatening condition is at the level of medically necessary services which would have been otherwise provided to the recipient at rates specified for other transportation services, above.

Payment for **special transportation for a child receiving EPSDT rehabilitative or personal care services identified on an IFSP or IEP** and provided by a school district during the day is determined by multiplying the number of miles the child is transported to or from a provider of rehabilitative services by the per mile rate of \$2.21.